

PAUL E. GILLMOR

5TH DISTRICT, OHIO

COUNTIES: ASHLAND (PART), CRAWFORD,
DEFIANCE, FULTON, HENRY, HURON, LUCAS (PART),
MERCER (PART), PAULDING, PUTNAM, SANDUSKY, SENECA,
VAN WERT, WILLIAMS, WOOD, WYANDOT (PART)

DEPUTY MAJORITY WHIP



Congress of the United States
House of Representatives

Washington, DC 20515-3505
October 6, 2005

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CAPITAL MARKETS, INSURANCE AND
GOVERNMENT SPONSORED ENTERPRISES

FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

0008500Z 100 LT

The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Martin:

I am writing to express concern that the Time Warner-Comcast acquisition of Adelphia Communications may restrict my constituents' access to their local sports teams on television.

Time Warner and Comcast have stated they intend to acquire and trade systems in order to enhance each company's regional concentration. According to published reports, this transaction will dramatically increase Time Warner's share of pay-television households to more than 66% in Cleveland and Columbus, and more than 59% in Cincinnati and Youngstown. That type of market share combined with access to virtually every television household in the region gives Time Warner both the incentive and economic power to obtain the exclusive right to televise the games of local sports teams.

My constituents would be harmed in two ways should Time Warner use this transaction to lock up the exclusive television rights for local sports teams. First, sports fans would have no choice but to subscribe to cable in order to watch their favorite teams. Sports fans should be able to watch their local teams and also enjoy the right to choose from among a variety of competitive multichannel video platforms.

Second, and more broadly, eliminating this choice for sports fans will weaken video competition, thereby undermining the consumer benefits this transaction might otherwise yield. The continued sustainability of additional subscription video providers is important to ensuring a multiplicity of voices and spurring greater innovation in video offerings. If new multi-channel video distributors are denied access to compelling regional sports programming, it will be difficult for them to continue to flourish and provide consumers with enhanced programming choice and greater price competition.

The Commission has previously recognized that there is no substitute for the ability to watch your favorite local team on television [17 FCC Rcd. 12124, 12138 (2002)]. Put simply, local sports content is one of the key criteria driving pay television consumers' purchasing and subscription decisions. Without access to this programming, a multi-channel video programming distributor is placed at an acute competitive disadvantage.

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As a Member of Congress who represents thousands of Browns, Bengals, Reds, Indians, Blue Jackets and Cavaliers fans—and as an avid sports fan myself—I wholeheartedly agree.

I recognize that the transaction may have the potential to greatly benefit consumers by accelerating the deployment of advanced services throughout Ohio and enhancing competition in the telecommunications sector. However, I would caution the Commission against enabling Time-Warner and Comcast to use this transaction to expand anti-competitive exclusive sports rights agreements in new markets.

I therefore urge the Commission to condition approval of this transaction on stipulations that would prohibit Time Warner or Comcast from entering into any exclusive arrangements for the carriage of local sports programming and give competing distributors the right to arbitration in case of an impasse in negotiating carriage agreements with sports networks affiliated with either cable company.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul E. Gillmor", written in a cursive style.

Paul E. Gillmor
Member of Congress

Cc: Deborah Platt Majoras, Chairman, Federal Trade Commission
Thomas B. Leary, Commissioner, Federal Trade Commission
Pamela Jones Harbour, Commissioner, Federal Trade Commission
Jon Leibowitz, Commissioner, Federal Trade Commission